
Introduced by Senator AlarconFebruary 20, 2003

An act to add Section 96.8 to the Labor Code, relating to wages.

LEGISLATIVE COUNSEL'S DIGEST

SB 586, as introduced, Alarcon. Wages: penalties.

Existing law authorizes the Labor Commissioner to conduct investigations, hold hearings, make determinations, and impose decisions, awards, and penalties on employers who have violated state labor laws. Existing law also authorizes the Labor Commissioner to collect unpaid wages on behalf of employees and deposit the collected moneys into the Unpaid Wage Fund, a continuously appropriated special fund.

This bill would require the Labor Commissioner to, in addition to any award ordered by the Labor Commissioner, impose on an employer found to owe back wages a penalty equal to 1% of the total amount owed by the employer. The bill would create a special account in the Unpaid Wage Fund and would require the Labor Commissioner to deposit the penalty moneys in the special account to be used, upon appropriation by the Legislature, to pay employees the unpaid balance of any monetary relief ordered by the Labor Commissioner.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 96.8 is added to the Labor Code, to read:
- 2 96.8. (a) The Labor Commissioner shall impose on all
- 3 employers determined to owe back wages a penalty equal to one



1 percent of the total amount owed by the employer. The penalty
2 shall be paid in addition to any award ordered by the Labor
3 Commissioner and shall be deposited into a special account in the
4 Unpaid Wage Fund to be known as the Unpaid Wage Penalty
5 Account, which account is hereby created.

6 (b) Upon appropriation by the Legislature, the moneys in the
7 Unpaid Wage Penalty Account shall be used by the Labor
8 Commissioner to pay employees the unpaid balance of any
9 monetary relief ordered by the Labor Commissioner to be paid by
10 an employer.

